

Message Text

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ACTION EA-10

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FM AMEMBASSY TAIPEI

TO USDOC WASHDC

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FOR OIM/FE/SONNE

E.O. 11652: N/A

TAGS: BGEN

SUBJECT: COMMERCE ANTI-RECESSION EXPORT CAMPAIGN

REF: A) STATE A-2778, 3/7/75; B) TAIPEI A-215, 12/9/74

C) TAIPEI 2837, 5/21/75; D) STATE 134740, 6/10/75

1. IN EMBASSY'S ASSESSMENT PER REF B), AREAS WITH BEST SHORT AND MEDIUM-TERM POTENTIALS FOR U.S. CAPITAL GOODS EXPORTS TO ROC ARE (1) ELECTRONIC COMPONENTS PRODUCTION AND TESTING EQUIPMENT; (2) RADIO AND T.V. RECEIVING EQUIPMENT; (3) BUILDING AND CONSTRUCTION MACHINERY AND SUPPLIES; (4) METALWORKING MACHINES AND MACHINE TOOLS; AND (5) METAL STAMPINGS. DETAILED MARKET INFORMATION IS AVAILABLE IN STUDIES PREPARED FOR BIC/OIM/MRD AND BIC/OIM/FE.

2. TRADE PROMOTION PROGRAM FOR FY'75 AND '76 INCORPORATES PROMOTIONAL EVENTS RELATED TO ALL EXCEPT THE FOLLOWING RECESSION-HIT INDUSTRIES:

A) TEXTILE MACHINERY
B) AUTOMOTIVE ACCESSORIES
C) FARM MACHINERIES
D) FARM WHEEL TRACTORS
E) SELF-PROPELLED COMBINES
F) CHEMICAL PROCESSING MACHINERY
ROC MARKETS FOR U.S. MANUFACTURA
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PRODUCTS IN CATEGORIES A) THRU

E) ARE AT PRESENT LIMITED. MARKETS FOR PRODUCTS IN CATEGORY F)
HAVE NOT YET BEEN EVALUATED.

3. EMBASSY WOULD WELCOME AND GIVE PRIORITY TO COMMERCE-GENERATED
BSP' TO AID U.S. FIRMS IN RECESSION-HIT INDUSTRIES, AND WILL
ENCOURAGE THEIR REPRESENTATIVES IN TAIWAN TO UTILIZE CENTER'S
FACILITIES.

4. EMBASSY SUGGESTS THAT U.S. FIRMS BE ENCOURAGED TO PARTICI-
PATE IN FOLLOWING LOCALLY SPONSORED TRADE EVENTS:

DATE	EVENT
UNDECIDED	THE TAIPEI INSTRUMENTATION SHOW CONTACT: MR. C.S. HUANG, CHAIRMAN 3RD FL., NO.20-2, LANE 16, AN TUNG ST. TAIPEI, TAIWAN, REPUBLIC OF CHINA

AUGUST, 1975	TOOLS, MOLD AND DIE EXHIBITION CONTACT: MR. S. L. WANG, CHIEF, 6TH SECTION INDUSTRIAL DEVELOPMENT BUREAU 109 HANKOW ST., SECTION 1 TAIPEI, TAIWAN, REPUBLIC OF CHINA
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5. IN REF C) EMBASSY NOTED, ON BASIS OF MARKET RESEARCH, LIMITED
ROC MARKET FOR PRODUCTS TO BE DISPLAYED IN DECEMBER '75 "AUTO-
MOTIVE SERVICE EQUIPMENT" EXHIBITION. IT WAS PROPOSED THAT
EXHIBITION OF "ELECTRONIC COMPONENTS AND ELECTRONIC COMPONENT
PRODUCTION AND TEST EQUIPMENT" REPLACE "AUTOMOTIVE SERIVE EQUIP-
MENT" EXHIBITION. IT WAS FURTHER RECOMMENDED THAT EXHIBITION
OF "INDUSTRIAL AND SCIENTIFIC ANALYTICAL AND TESTING INSTRUMENTATION"
REPLACE SCHEDULED JUNE '76 "ELECTRONIC COMPONENTS PRODUCTION AND
TEST EQUIPMENT" EXHIBITION. AMONT THE SIX POINTS OFFERED AS
JUSTIFICATION FOR ABOVE CHANGE IN FY'76 SCHEDULE WAS FACT THAT THE
ROC'S ELECTRONIC INDUSTRY IS THE NATION'S FASTEST GROWING INDUSTRY
AND ITS SECOND LARGEST FOREIGN EXCHANGE EARNER. THE GROC SUPPORTS
LOCAL MANUFACTURERES' EFFORTS TO INCREASE PRODUCTION OF ELECTRONIC
COMPONENTS AND RELY ON FOREIGN SUPPLIERS FOR ONLY THE MOST SOPHIS-
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TICATED COMPONENT ITEMS. BY MOVING THE SCHEDULED JUNE '76 EVENT
TO DECEMBER '75 AND EXPANDING THE THEME AS NOTED ABOVE, COMMERCE
COULD ASSIST U.S. MANUFACTURERS IN OBTAINING EARLY SALES ADVANTAGES
IN A SLOWLY DECLINING MARKET FOR FOREIGN MADE COMPONENTS AND A
GROWING MARKET FOR COMPONENT PRODUCTION AND TEST EQUIPMENT.
EMBASSY REGRETS THAT COMMERCE DID NOT CONCUR WITH THESE PROPOSALS.
IN VIEW OF OUR RECOMMENDATION TO CANCEL "AUTOMOTIVE SERVICES
EQUIPMENT" EXHIBITION, TRADE CENTER HAS RESOURCES AND FACILITIES

TO STAGE A DECEMBER, 1975 EVENT. COMMERCE MAY WISH TO RECONSIDER PROPOSAL OUTLINED IN REFTEL C) OR AN ALTERNATE PROMOTIONAL EVENT.

6. AS RESULT OF COMMERCE'S CANCELLATION OF EMBASSY'S PROPOSED FY'76 "FOOD PROCESSING EQUIPMENT" JEEP, "POLLUTION CONTROL EQUIPMENT" TRADE MISSION, AND "COMMUNICATIONS EQUIPMENT" CATALOG SHOW, EMBASSY IS ABLE TO STAGE 2 CATALOG SHOWS AND 2 TRADE MISSIONS DURING FY'76 TO AID U.S. FIRMS IN RECESSION-HIT INDUSTRIES.

7. SINCE GROC LIFTING OF IMPORT RESTRICTIONS ON CONSUMER GOODS IN JULY 1973, EMBASSY HAS HELD TWO USDOC-SPONSORED IN-SOTRE PROMOTIONS WITH A LEADING LOCAL DEPARTMENT STORE CHAIN IN NOVEMBER 1973 AND JULY 1974. RESULTS OF THESE PROMOTIONS WERE HIGHLY SUCCESSFUL IN INTRODUCING AMERICAN CONSUMER PRODUCTS TO THIS MARKET. EMBASSY WILL SPONSOR ANOTHER PROMOTION IN OCTOBER 1975 WITH A NEW DEPARTMENT STORE LOCATED IN KAOHSIUNG. OVER US\$200,000 OF CONSUMER PRODUCTS HAVE BEEN ORDERED FOR THIS EVENT ALONE. MAIN PRODUCTS ORDERED FALL INTO FOLLOWING CATEGORIES: ELECTRICAL APPLIANCES, HOUSE WARES, APPAREL, SPORTS AND LEISURE, TOYS AND GAMES, AND FOOD.

8. EMBASSY BELIEVES THAT DEMAND FOR U.S. CONSUMER GOODS WILL CONTINUE TO GROW IN THIS MARKET. THE MAIN PROBLEM IS THAT CHANNELS OF DISTRIBUTION ARE NOT WELL DEVELOPED OR DEFINED. TO DATE, MOST MERCHANDISE IS ORDERED DIRECTLY BY LEADING DEPARTMENT STORES FOR THEIR OWN SALES. THERE ARE ONLY A FEW COMPETENT AGENTS AND DISTRIBUTORS OF CONSUMER GOODS WHO CAN REPRESENT U.S. MANUFACTURERS IN SALES OF THEIR PRODUCTS TO RETAIL OUTLETS. AMERICAN MANUFACTURERS INTERESTED IN THIS MARKET MAY WRITE DIRECTLY TO THE FOLLOWING STORES AND TRADING COMPANIES:

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1. FAR EASTERN DEPARTMENT STORE LTD.

32 PAO CHING ROAD, TAIPEI, TAIWAN
BOARD CHAIRMAN: HSU YU-SIANG

B. TAH SHING DEPARTMENT STORE CO., LTD.

82-820 TAH YOUNG ROAD, KAOHSIUNG, TAIWAN
PRESIDENT: Y. T. WU

C. TODAY'S DEPARTMENT STORE., LTD.

54 OMEI STREET, TAIPEI, TAIWAN
BOARD CHAIRMAN: M. C. OUNG

D. SHIN SHIN CO., LTD.

247 LIN SEN NORTH ROAD, TAIPEI, TAIWAN

E. THE FIRST COMPANY, LTD.

41 CHUNG HWA ROAD, TAIPEI, TAIWAN
BOARD CHAIRMAN: W. F. ZEE

F. JEN JEN DEPARTMENT STORE

90 CHUNG HWA ROAD, SEC. 1, TAIPEI, TAIWAN

G. TA CHIEN DEPARTMENT STORE

5-11 YENPING NORTH ROAD, SEC. 2, TAIPEI, TAIWAN

H. NAN YANG DEPARTMENT STORE

150 PAO AI ROAD, TAIPEI, TAIWAN

I. CHUNG WAI DEPARTMENT STORE

120 HENGYANG ROAD, TAIPEI, TAIWAN

J. CHIEN HSIN DEPARTMENT STORE

118 PO AI ROAD, TAIPEI, TAIWAN

K. SIMON SUPER MARKET

144 CHUNG HWA ROAD, TAIPEI, TAIWAN

L. TUNG TA TRADING CO., LTD.

115 CHUNGKING SOUTH ROAD, SEC. 1, TAIPEI, TAIWAN
PRESIDENT: TUNG TA CHAO

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M. SINO-AMERICAN SUPERMARKET

50 JEN AI ROAD, SEC. 4, TAIPEI, TAIWAN

N. NATIONAL ELECTRIC APPLIANCE SALES CO., LTD.

57 PO AI ROAD, TAIPEI, TAIWAN
PRESIDENT: C. C. HONG

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